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INTERGOVERNMENTAL NEGOTIATING COMMITTEE
FOR A FRAMEWORK CONVENTION ON CLIMATE CHANGE
Tenth session
Geneva, 22 August - 2 September 1994
Item 4 (a) of the provisional agenda

MATTERS RELATING TO ARRANGEMENTS FOR THE FINANCIAL MECHANISM AND FOR TECHNICAL AND FINANCIAL SUPPORT TO DEVELOPING COUNTRY PARTIES

IMPLEMENTATION OF ARTICLE 11 (FINANCIAL MECHANISM), PARAS. 1-4

Issues to be addressed by the Committee: a preliminary overview

Note by the interim secretariat

Addendum

This addendum contains the Joint Summary of the Chairs for the first Global Environment Facility (GEF) Council Meeting that was held on 12 and 13 July 1994 in Washington, D.C., and which was mentioned in document A/AC.237/67, para. 32.

GE.94-63460

GLOBAL ENVIRONMENT FACILITY

JOINT SUMMARY OF THE CHAIRS

GEF COUNCIL MEETING
July 12 - 13, 1994

1. The first meeting of the Council following the adoption of the *Instrument for the Establishment of the Restructured GEF* and the new governance arrangements agreed upon in Geneva, took place in Washington, D.C., on July 12 - 13, 1994. The meeting was opened by Mohamed T. El-Ashry, Chairman of the pilot phase of the GEF. Council Members introduced themselves and their Alternates and advisors.

Election of Chairperson

2. The Council elected Mr. N.K. Singh (India) as its elected Chairperson.

Adoption of agenda

3. The Council adopted the provisional agenda set forth in document GEF/C.1/1.

Appointment of CEO

4. On the basis of the joint recommendation made by the heads of the three Implementing Agencies, the Council appointed Mr. Mohamed T. El-Ashry to serve for three years as the Chief Executive Officer/Chairperson of the Facility.

Proposed Statement of Work for the Council

5. The Council reviewed the proposed schedule of work for the Council during the next twelve months (document GEF/C.1/2). In reviewing the document, the Council agreed:

   a. the regular meetings of the Council would be held semi-annually in April and October of each calendar year;

   b. during its first year of meetings (July 1994 to July 1995), the Council would meet quarterly;

c. the two-track approach proposed in the document was considered useful, and would facilitate a balance between strategic policy development and operational activities. It was felt that quality projects should be presented to the Council after these have been carefully designed and prepared;

d. the GEF should seek close, collaborative and active relationships with the Climate Change and Biodiversity Conventions;

e. the Council at its meeting in October 1994 should give high priority to reviewing and, if possible, adopting guidelines on the project cycle. The project cycle should consider, among other things, the issue of country coordination and the policies of the Implementing Agencies concerning information disclosure and consultation with, and the participation as appropriate of, non-governmental organizations and local communities in the preparation and implementation of projects;

f. at its meeting in October 1994, the Council should consider, in addition to the items proposed in Annex 1 of the document, a preliminary policy paper on incremental costs; a checklist addressing the recommendations set forth in the Independent Evaluation of the GEF; and a preliminary issues paper on land degradation (desertification and deforestation). If necessary, it could postpone the consideration of the preliminary issues paper on Climate Change until the Council meeting in January 1995;

g. as an input to the development of an operational strategy, each Implementing Agency is invited to submit, through the Secretariat, a paper that discusses its strategy for fulfilling the responsibilities assigned to it in the Instrument;

h. in developing the operational strategies in the four substantive areas the objectives of the Desertification Convention should be taken into account;

i. in developing the operational strategies, in particular those for Climate Change, International Waters and Biodiversity, the recommendations of the Conference on Small Island Developing States should also be taken into account; and

j. the Secretariat should update and resubmit for Council consideration the paper which addresses the issue of broad range interaction of non-governmental organizations with the GEF.

6. The Secretariat was advised to review the proposed dates of the Council meetings to avoid conflicts with other international meetings concerned with environment and development issues.

7. It was agreed that the Secretariat should prepare a note that more specifically addresses the second track of the work program. This note would include interim guidance for the size of initial financial commitments, type of project/activities to be funded, how "incremental

costs" will apply, and distribution among focal areas. In preparing the note the Secretariat would take into account the discussions held at the meeting, and would undertake intensive consultations with the Members, the Secretariats of the Conventions and the Implementing Agencies. The Secretariat will circulate the note well in advance of the next meeting with a request for written comments. On the basis of the comments received the Secretariat will prepare a revised note for consideration at the next Council meeting.

Draft Rules of Procedure

8. The Council reviewed the draft Rules of Procedure (document GEF/C.1/3) prepared by the Secretariat. In reviewing the rules, agreement was reached on the following major amendments:

   a. paragraph 2 would be revised to include definitions of "participate", "attend", and "observe";

   b. paragraph 6 would specify that the CEO may call special meetings of the Council after consultation with the Members;

   c. the notice of the date and place of each regular meeting will be given by the CEO eight weeks prior to the meeting, and the notice of the date and place of each special meeting will be given four weeks prior to the meeting;

   d. the Member and Alternate may be accompanied by two advisors;

   e. representatives of the Desertification Convention and the Montreal Protocol will be invited to attend the Council meetings; and

   f. documentation for the Council meetings would be distributed to all those invited to the meeting in accordance with paragraphs 8 to 13 of the proposed rules of procedure. In accordance with paragraph 9, this would include all Participants in the GEF.

9. The Secretariat will revise the draft rules on the basis of the discussions during the meeting. The revised rules will be transmitted to all those invited to attend the Council meetings six weeks prior to the next Council meeting with a request that comments on the rules be submitted to the Secretariat before the next Council meeting.

Technical Note on NGO relations with the GEF

10. In connection with its discussion on the proposed rules of procedure the Council reviewed the technical note on NGO relations with the GEF (GEF/C.1/4)). In reviewing the document, the Council agreed that:

a. NGOs have played an important and creative role in the GEF, and this must be sustained and fostered;

b. the NGO consultations conducted during the GEF pilot phase proved very useful and need to be continued;

c. Council Members generally felt that semi-annual consultations are appropriate, and several Members also noted the value of regional consultations in addition to such consultations;

d. with a few exceptions, the Council widely felt that NGOs should be invited to observe Council meetings and that somewhere in the order of 8 NGO observers may be considered appropriate for this purpose; and

e. constraint of funds should not act as a constraint for effective NGO participation in consultative meetings, especially for recipient country NGOs. While some Members expressed a preference for providing funds through the Small Grants Programme, it was broadly considered that it would better promote efficiency of resources and enable the monitoring of its optimal use if the funds for consultations are provided from the Secretariat's administrative budget. Several Members expressed a preference for the use of voluntary funds in financing the consultations.

Discussion of the Pilot Phase Work Program

11. The Council reviewed the work program for the Pilot Phase and endorsed the work program subject to comments made at the meeting. It was agreed that written comments may be provided by Members to the Secretariat within the next four weeks.

Discussion of STAP Issues Paper

12. UNEP provided a briefing to the Council on the issues paper on STAP. It was agreed that Members may provide additional comments on the draft issues paper within four weeks.

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Members generally shared the feeling that the challenges and responsibilities enjoined on the Council would require continued close cooperation and support, not only among themselves and the constituencies they represent, but also with all implementing and executing agencies, COPs and secretariats of the Conventions, NGOs and the private sector. Such cooperation is needed in order to enable the GEF to fulfill its promise and meet these daunting challenges.